



### Onions



#### Key takeaways

- India has become the third worst-affected country by the Covid-19 pandemic. Though more materials have arrived since last month, dehydration activities are still running slowly, largely driven by labour issues.
- The availability of dehydrated onions is not enough to cover export demand. Prices are expected to firm up in the short term but may ease when other origins start harvesting during the fall and winter periods.



#### Price outlook



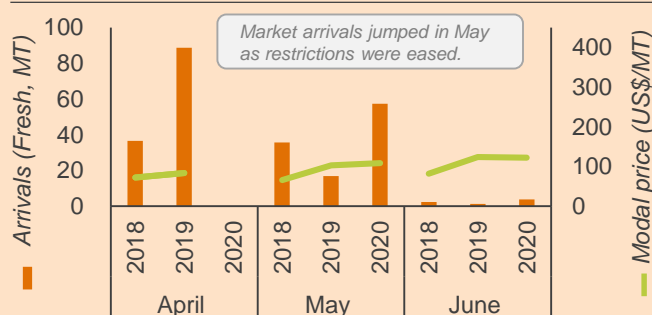
- Short term:
- Medium term:
- Long term:

#### Supply dynamics



- The Indian crop size and quality was not as good as usual, caused by delayed harvesting due to an increasing number of Covid-19 cases. The majority of Indian local markets reported no crop arrivals during April. Though crop arrivals jumped significantly in May-20, they fell far short of the expected arrivals.
- Transportation and labour shortages remain among the key issues. As reported by the Agricultural Produce Market Committee in Mahuva, there were fewer transactions and farmers were offered lower prices than last year.
- The Egyptian summer crop is fully harvested. Stocks are expected to be sufficient to cover overall local and export demand until its next harvest starts during Nov-Dec-20.

Market arrivals in Mahuva, Gujarat, India

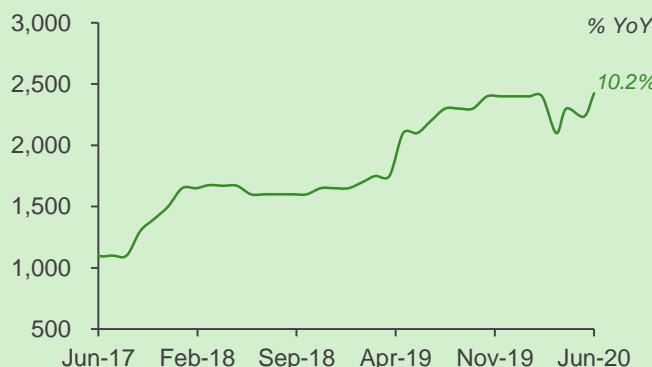


#### Price trends



- To prevent post-harvest losses, India's government gave a 50% subsidy for storing and transporting perishable products, including onions. This scheme is expected to support farmers and local processors who are being impacted by low prices amid coronavirus issues.
- Indian dehydration units are still not operating at full capacity, resulting in more delays in shipments to the destination markets. Consequently, prices for dehydrated onions remained firm despite low offers for fresh materials. The local market is offering c. US\$ 2,425/MT for onion kibbled quality CIF EBP.
- Following the same price trend, Chinese and Egyptian exporters are offering c. 4-5% higher prices compared to last month.

Indian onions kibbled CIF EBP (US\$/MT)

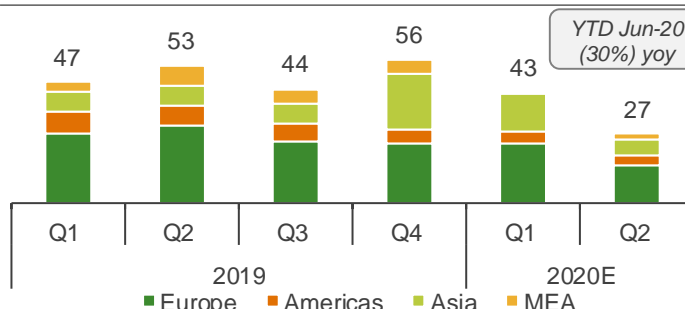


#### Key quality price levels<sup>1</sup>



Quality	US\$/MT	Change (%)
Onion Kibbled India	2,425	8.5%
Onion Kibbled Egypt	2,600	4.0%
Onion Minced India	2,400	2.1%
Onion Minced Egypt	2,800	3.7%
Onion Powder India	1,950	8.3%
Onion Powder Egypt	2,300	4.5%

#### Import volume per region (KMT)





### Various

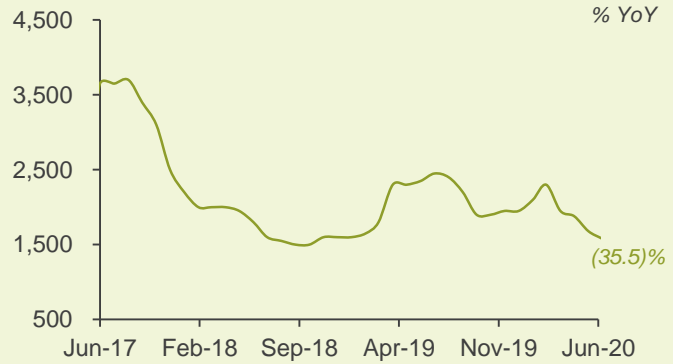


### Garlic



- The Chinese harvest has just finished. Total crop size is expected to increase by c. 20% on the account of favourable weather this season.
- The continuing expansion of planted areas since 2017 has resulted in a high production level recently. Hence, the prices of raw material are still at a low level.
- The processing units have resumed operating normally since Apr-20. The flaking season has just started and will last until October. It is reported that current stocks of both fresh and dehydrated garlic are sufficient to cover the domestic and export demand. Prices for garlic flakes continue to drop and are now at c. US\$ 1,580/MT FOB Qingdao, 6% lower compared to last month.
- Traders and processors are trying to release carryover stocks from the previous seasons. Offered prices for old stocks are lower due to quality issues. At the same time, current prices attract the attention from speculators who are willing to invest for future contracts.
- For the YTD Jun-20, China exported c. 75KMT dehydrated garlic, of which c. 40% went to the US. During the first two months, January and February, there is no record of export volumes. Though trading activities have recovered significantly during the Apr-Jun period, total shipped volumes are still c. 10-15% lower than last year.

Chinese garlic flakes FOB Qingdao (US\$/MT)



### Various



- The market for **red bell pepper** increased somewhat over the past month. Prices for red bell pepper flakes 9x9 mm are being quoted at US\$ 4,450/MT CIF Rotterdam.  
The harvest will commence in Aug/Sep-20 in the Inner Mongolia region and the weather has been good so far. Prices are expected to soften when new crop arrivals come into the local market.
- Prices for **green bell pepper** flakes 9x9 mm were fairly steady over the past 2 months and are now being quoted at US\$ 3,480/MT CIF Rotterdam.
- **Carrot flakes** 10x10x2 mm prices remained stable at c. US\$ 1,680/MT CIF Rotterdam.
- The supply of **tomato flakes** from China was less than expected due to limited shipments from local suppliers. The local market prices are at c. US\$ 3,750/MT CIF Rotterdam for flakes 9x9 mm quality.
- The market is showing good demand for Turkish **oregano leaves** with Pyrrolizidine alkaloids (PA) guaranteed quality. However, availability is less currently. Prices are at c. €3,300/MT CIF Rotterdam.
- The availability of Turkish **sage** is still scarce due to quality issues on PA and heavy metals. The harvest will commence shortly this month.
- **Parsnip, leek** and **cabbage** stocks from Eastern Europe are still limited. Traders are waiting for the new crop harvest which will start around Aug/Sep-20.

Chinese red bell pepper CIF EBP (US\$/MT)

